

Message Text

UNCLASSIFIED

PAGE 01 JIDDA 06224 141431Z

71

ACTION COME-00

INFO OCT-01 EUR-12 NEA-10 ISO-00 EB-07 TRSE-00 OMB-01

CIAE-00 INR-07 NSAE-00 /038 W
----- 104070

R 141332Z SEP 76

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 5858

INFO AMEMBASSY BRUSSELS

UNCLAS JIDDA 6224

E.O. 11652: N/A

TAGS: BEXP, SA, BE

SUBJ: COST ESCALATION CLAUSES IN SAUDI CONTRACTS

REF: STATE 225084

1. BELGIAN EMBASSY CONFIRMS THAT EUROSISTEM HOSPITALIER HAS SIGNED CONTRACT CONTAINING ESCALATOR CLAUSE. EMBASSY CLAIMS, HOWEVER, NOT TO HAVE SEEN CONTRACT NOR TO HAVE DETAILS OF ESCALATOR CLAUSE. CONTRACT IS TO BUILD TWO 500-BED HOSPITALS IN RIYADH AND JIDDA FOR NATIONAL GUARD AT BASE COST OF SR2692 MILLION (ABOUT \$770 MILLION).

2. THIS IS INTERESTING STRAW IN THE WIND BUT WE CANNOT YET ESTIMATE ITS VALUE AS PPRECEDENT. NATIONAL GUARD IS MUCH FREER THAN OTHER SAG AGENCIES TO SET ITS OWN CONTRACT TERMS AND THIS MAY BE AN ANOMALY. WE WOULD ALSO NOTE THAT NAZER'S MINISTRY DOES NOT ITSELF WRITE CONTRACTS NOR HAVE GREAT INFLUENCE IN ESTABLISHING CONTRACT GUIDELINES.
HORAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JIDDA06224
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760347-0195
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760963/aaaaccbp.tel
Line Count: 47
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 1
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 225084
Review Action: RELEASED, APPROVED
Review Authority: vandyklc
Review Comment: n/a
Review Content Flags:
Review Date: 01 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 MAR 2004 by MaustMC>; APPROVED <23 AUG 2004 by vandyklc>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COST ESCALATION CLAUSES IN SAUDI CONTRACTS
TAGS: BEXP, SA, BE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006